Amount Deposited in Regional Rural Banks

†3440. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Regional Rural Banks are scheduled banks;

(b) if so, whether such an information has been issued to all the Government departments and their attached departments;

(c) whether Government and semi-Government departments and institutions deposit their money in these banks; and

(d) if so, the deposited amounts of Government in all the 196 regional rural banks till 31st March, 2004 alongwith the bank-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) All 196 Regional Rural Banks (RRBs), which have been established under Section 3(1) of the Regional Rural Banks Act, 1976, are Scheduled Banks, duly notified in the Gazette of India.

(c) It is for the RRBs, in the interest of their business of canvass for funds from Government Departments.

(d) The existing information system does not compile data in this form.

Rates of taxes on items under VAT System

†3441. SHRI DATTA MEGHE:
SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that to determine tax under value added tax system which has been implemented since April 1, 2005; the rates have been fixed as 0.1 per cent, 4 per cent, and 12.5 per cent;

(b) if not, the facts thereof;

(c) the details of the items selected under each of the above categories; and

(d) the grounds for the above selection?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Empowered Committee of State Finance Ministers, which is a representative body of all States has fixed the rates of tax under the VAT system as 1%, 4% and 12.5%. In addition certain goods will be exempt from tax under the VAT system.

(c) and (d) It has been decided by the Empowered Committee that under the exempted category there will be about 46 commodities comprising natural and unprocessed products, items which are legally barred from taxation and items which have social implications. Gold, silver, bullion, precious stones etc. shall attract 1% rate of VAT. Under 4% VAT category, about 270 commodities will be there, comprising items of basic necessities, all agricultural and industrial inputs, capital goods and declared goods. The remaining commodities shall fall under the general rate of VAT of 12.5%.

Waiver of loans to Karnataka and Orissa

3442. MS. PRAMILA BOHIDAR:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that State Government of Karnataka has made a request for waiver of their loan and readjustment of high rate of interest;

(b) if so, the details thereof;

(c) whether Government would also extend this facility to the cash-strapped State Orissa which is under unsustainable debt burden; and

(d) if so, the details of the relief proposed to be offered to Orissa State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise.

(d) Government of India has accepted the recommendation of Twelfth Finance Commission (TFC) for debt consolidation and waiver of outstanding GoI debts. This scheme would benefit the Government of Orissa with estimated lower interest of Rs. 1008.43 crore, lower repayment of Rs. 872.85 crore and debt waiver of Rs. 1751.29 crore over the next five years *i.e.* 2005-10, if the State meets necessary conditions.